SWS P0855 8/15/07 Patent

REMARKS

Claim Status

Claims 1-39 and 41-48 remain pending in the present application.

Election

We elect Species III (i.e., claims 39 and 41-48) with traverse.

A restriction requirement at this stage is unfair since it throws out all the prosecution undertaken by Applicant up to this stage for the non-elected claims. For example, a prior art rejection on all pending claims was made and Applicant made a good faith effort to respond to the rejection. If a restriction requirement was to be made, it should have been made previously, prior to the first action. To do so now wastes Applicant's time, money and effort. This time of actions by the Office cuts against the Patent Office's express mandates and policies to streamline prosecution.

Applicant should not be punished just because a different Examiner is assigned to examine the application during mid-stream prosecution.

Moreover, we respectfully submit that all three species should be searched together because of their subject matter overlap. Separating the three species as proposed will result in redundant searching by the Office and cost Applicant even more time and money.

Reconsideration of the Restriction requirement is respectfully requested.

Conclusion

We respectfully request a Notice of Allowance. Nevertheless, the Examiner is invited to telephone the undersigned at 503-469-4685 if any questions remain.

Date: August 15, 2007

Respectfully submitted,

Customer No. 23735

DIGIMARC CORPORATION

Phone: 503-465-4685 FAX: 503-469-4777 By: /Steven W. Stewart, Reg. No. 45,133/ Steven W. Stewart Registration No. 45,133

-13-